(c) if so, what are the names of the companies to which advance of more than five crores rupees has been made during the current financial year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The annual accounts of Vijaya Bank for the current year ending 31st March, 1993 are yet to be finalised.

(b) According to Vijaya Bank, the previous Chairman had granted advances to borrower clients after complying with the lending norms of the bank and the norms stipulated by the Reserve Bank of India.

(c) In accordance with the statutes governing the public sector banks, information relating to, or the affairs of, their constituents is not divulged.

Appointment of non-official members on Bank Boards

149. SHRI S.S. SURJEWALA: Will the Minister of FINANCE be pleased to state:

(a) whether the policy of appointment of non-official members on the Board of Directors of Nationalised Banks has been successful, if not, the reasons therefor;

(b) what is the criteria/norms/ qualifications of a non-official member on the basis of which appointment to the Board of Directors are made and whether the policy has been strictly adhered to or not; and

(c) whether Government propose to change the composition of the Board of Directors to ensure the efficient and smooth running of the Banking Industry in the light of the recent scam?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) Non official directors on the boards of the nationalised banks are appointed in accordance with the norms and criteria prescribed in the Nationalised Banks (Management and Miscellaneous Provisions) Schemes, 1970 and 1980. These directors are to be appointed by the Central Government after consultation with the Reserve Bank of India. The norms/criteria prescribed in the above schemes are adhered to while making appointments of non official directors on the boards of the banks.

There is no proposal under the consideration of the Government to change the composition of the Board of Directors as provided in the Schemes. However, while filling up vacancies, it would be the endeavour of the Government to appoint persons with professional knowledge and practical experience in matters useful for the working of the nationalised banks.

Reforms in Banking Industry

150. SHRI S.S. SURJEWALA: Will the Minister of FINANCE be pleased to state:

(a) what are the recommendations of the Narasimham Committee Report on Banking Industry which have already been accepted/implemented by Government and which are the recommendations that remain to be accepted/implemented together with the reasons for their non-acceptance/non-implementation;

(b) whether there is any proposal under Government's consideration for the denationalisation of the Banking Industry and for clubbing the various banks, if so, the details thereof;

(c) whether it is a fact that the Banking Industry is going to be a sick industry by the year 2000 A.D. as three banks are already in the red and more are on the verge of going sick if so, what steps Government propose to take in this regard; and

(d) whether Government are contemplating to take the power in its own hands to recover the outstanding dues as a land revenue to accelerate their recovery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Initiatives taken pursuant to the Committee's recommendations include reduction in SLR and CRR, simplification of interest rate structure, positioning of norms in respect of capital adequacy, income recognition and provisioning requirements, revision of balance sheet and profit and loss formats for ensuring greater transparency, revision of RBI guidelines for branch licensing, initiation of process of converting Industrial Finance Corporation of India (IFCI) into a company, measures aimed at liberalisation of the capital market, vesting of SEBI with statutory powers, equal treatment of various Mutual Funds in the area of tax concessions etc. The Government have decided to implement the recommendations of the Committee in a phased manner.

(b) Government have received a proposal from the State Bank of India for the merger of its seven associate banks into a single associate bank. Government have solicited the views of Reserve Bank of India on the proposal.

(c) Of the 28 public sector banks, two banks, namely, New Bank of India and UCO bank, have declared losses for the year ended 31st March, 1992. The financial position and performance of the public sector banks is reviewed by the Government and Reserve Bank of India on an ongoing basis. Government and Reserve Bank of India have taken a series of measures to improve the performance and profitability of the public sector banks. These include augmentation of capital, rationalisation of service charges and interest rates structure, control of administrative expenditure, improving operational efficiency, effective business planning and development, etc.

(d) Government have decided to set up special tribunals for recovery of dues of banks/financial institutions.

Proposal to set up an Irrigation Development Bank

151. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Karnataka Government have made several requests for establishment of an Irrigation Development Bank at the National and State level in order to provide finances for irrigation projects of various states and, if so, what is the status of this proposal; and

(b) what steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Ministry of Water Resources had received such requests in the past and considered them.

(b) Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Developemnt (NABARD) do not have any proposal for the setting up of such a financial institution for the said purposes.

Kerb Trading in Bombay Stock Exchange

152. SHRI MOHINDER SINGH KALYAN: Will the Minister of FINANCE be pleased to state:

(a) what is the estimate of Kerb trading as a percentage of regular trading on the Bombay Stock Exchange;

(b) whether Kerb trading is permissible by law under the rules of the Bombay Stock Exchange; and

(c) whether there is any proposal under Government's consideration to eliminate Kerb trading, if it is not permissible under the law?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) While it is not possible to give any precise estimate of kerb trading in securities because it is illegal, it is reported that such trading can be considered to constitute a very small percentage of the total turn-over on the